



**Testimony**  
**Finance Committee**  
**SB 843, An Act Concerning Revenue Items to Implement the**  
**Governor's Budget**  
**March 4, 2013**

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***Bridgeport Child Advocacy Coalition***

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The Bridgeport Child Advocacy Coalition (BCAC) supports maintaining the State Earned-Income Tax Credit (EITC) at 30%.

EITC helps low-income families reach self-sufficiency. The proposed state budget temporarily reduces the state earned-income tax credit from 30% to 25% until 2015. An estimated 180,000 families will lose approximately \$100 each year if this change is approved.

According to an analysis by Connecticut Voices and the Connecticut Association for Human Services, the state earned-income tax credit (EITC) has been a huge success. In Bridgeport, alone, over 15,700 households, with an average yearly income of \$18,000, claimed the state EITC for the 2011 tax year. These families received an average of \$689.

The EITC is the most effective policy to lift low-income working families out of poverty and help them reach self-sufficiency. The EITC has proven to both encourage people to work and at the same time stimulate the economy. EITC returns are used to pay off bills, purchase basic needs, cover transportation costs to get to work, or take a college class. In 2012, \$109.2 million was claimed statewide.

This is money that will be put back into the state's economy, with the greatest impact in low-income neighborhoods that really need the economic boost. Cutting the EITC credit from 30% to 25% will effectively raise taxes on the lowest-income working families in our state. Although it is temporary, the cut will be devastating to those who can least afford it.

We appreciate the difficult decisions that need to be made regarding the state budget. Clearly budget cuts must be made. However, we urge you not to make cuts that will jeopardize the well-being of our children. Changes to EITC will undoubtedly have serious consequences for our most vulnerable children and their families.